



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-882]

Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that Hyundai Steel Co., Ltd., also referred to as Hyundai Steel Company (Hyundai Steel) and POSCO received *de minimis* net countervailable subsidies during the period of review (POR) January 1, 2020, through December 31, 2020, while other producers/exporters of certain cold-rolled steel flat products (cold-rolled steel) from the Republic of Korea (Korea) received countervailable subsidies during the producers/exporters POR.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Tyler Weinhold or Harrison Tanchuck, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1121 or (202) 482-7421, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of this administrative review on October 6, 2022.¹ For a description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.²

Scope of the Order³

The merchandise covered by this *Order* is cold-rolled steel. For a complete description of the scope of this *Order*, see the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in interested parties' case briefs are addressed in the Issues and Decision Memorandum accompanying this notice. A list of the issues raised by parties, and to which Commerce responded in the Issues and Decision Memorandum, is provided in appendix I to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in September 2022, Commerce conducted an on-site verification of the subsidy information

¹ See *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review*; 2020, 87 FR 60653 (October 6, 2022) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, "Issues and Decision Memorandum for the Final Results and Partial Rescission of the 2020 Administrative Review of the Countervailing Duty Order on Certain Cold-Rolled Steel Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ See *Certain Cold-Rolled Steel Flat Products from Brazil, India, and the Republic of Korea: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order (the Republic of Korea) and Countervailing Duty Orders (Brazil and India)*, 81 FR 64436 (September 20, 2016) (*Order*).

reported by Hyundai Steel.⁴ We used standard on-site verification procedures, including an examination of relevant accounting records and original source documents provided by the respondent.

Changes Since the *Preliminary Results*

Based on the results of verification, we made certain changes to Hyundai's countervailable subsidy rate calculations from the *Preliminary Results*.

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Act. For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁵ For a description of the methodology underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not directly address the countervailing duty (CVD) rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that "the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}." Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight-averaging the countervailable subsidy rates established for each of

⁴ See Memorandum, "Verification of the Questionnaire Responses of Hyundai Steel Company," dated December 1, 2022.

⁵ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available.

Accordingly, to determine the rate for companies not selected for individual examination, Commerce's practice is to weight average the net subsidy rates for the selected mandatory companies, excluding rates that are zero, *de minimis*, or based entirely on facts available.⁶ In this review, we have calculated *de minimis* subsidy rates for each of the mandatory respondents (*i.e.*, Hyundai Steel and POSCO) during the POR. In CVD proceedings where the number of respondents being individually examined has been limited, Commerce has determined that a "reasonable method" to use to determine the rate applicable to companies that were not individually examined when all the rates of selected mandatory respondents are zero or *de minimis* or based entirely on facts available, is to assign to the non-selected respondents the average of the most recently determined rates for the mandatory respondents (*i.e.*, Hyundai Steel and POSCO) that are not zero, *de minimis*, or based entirely on facts available.⁷ However, where a non-selected respondent has its own calculated rate in a prior segment of the proceeding, Commerce has found it appropriate to apply the prior rate that represents the most recently calculated rate for that respondent, unless Commerce determines that prior rate to be obsolete.⁸ We have determined that it is appropriate to assign to the companies subject to the review, but not selected for individual examination, the weighted average of the most recently calculated countervailable subsidy rates that are not zero or *de minimis* rates, or based solely on facts available from the prior review (*i.e.*, *Cold-Rolled Steel from Korea AR 2018 Final Results*), *i.e.*,

⁶ See, e.g., *Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386, 37387 (June 29, 2010).

⁷ See, e.g., *Circular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Countervailing Duty Administrative Review; Calendar Year 2012 and Rescission of Countervailing Duty Administrative Review, in Part*, 79 FR 51140, 51141 (August 27, 2014); and *Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 46770 (August 11, 2014), and accompanying Issues and Decision Memorandum (IDM), at "Non-Selected Rate"; and *Steel Concrete Reinforcing Bar from the Republic of Turkey: Preliminary Results of Countervailing Duty Administrative Review and Intent To Rescind the Review in Part; 2017*, 85 FR 3030 (January 17, 2020), and accompanying PDM, at "Non-Selected Rate," unchanged in *Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2017*, 85 FR 42353 (July 14, 2020), and accompanying IDM, at "Non-Selected Rate."

⁸ *Id.*

1.93 percent.⁹ For a list of the companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent, *see* appendix II to this notice.¹⁰

Recission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the party or parties that requested a review withdraw the request within 90 days of the publication date of the notice of initiation of the requested review. As noted above, all requests for administrative review were timely withdrawn for certain companies.¹¹ Therefore, in accordance with 19 CFR 351.213(d)(1), we are rescinding this administrative review with respect to the companies listed in appendix III.

⁹ *See Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2018*, 86 FR 40465 (July 28, 2021) (*Cold-Rolled Steel from Korea AR 2018 Final Results*).

¹⁰ In these final results, we are correcting the *Preliminary Results*, at appendix II, to remove 41 companies for which all requests for administrative review were timely withdrawn. *See* appendix II of this notice. In addition, we identify these same 41 companies in appendix III, “List of Rescinded Companies.” *See* appendix III.

¹¹ Commerce received timely withdrawal of requests for administrative review from KG Dongbu Steel Co., Ltd. (KG Dongbu Steel), Dongbu Steel, and Dongbu Incheon Steel, as well as from Nucor Corporation, Cleveland-Cliffs Inc., Steel Dynamics Inc., and United States Steel Corporation (collectively, the petitioners). *See* KG Dongbu Steel, Dongbu Steel, and Dongbu Incheon Steel’s Letter, “Withdrawal of Administrative Review Request,” dated January 26, 2022; *see also* Petitioner’s Letter, “Partial Withdrawal of Request for Administrative Review,” dated February 3, 2022.

Final Results of Review¹²

We determine that, for the period January 1, 2020, through December 31, 2020, the following total net countervailable subsidy rates exist:

Producer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Hyundai Steel Co., Ltd., also referred to as Hyundai Steel Company ¹³	0.27 (<i>de minimis</i>)
POSCO ¹⁴	0.20 (<i>de minimis</i>)
Non-Selected Companies ¹⁵	1.93

Disclosure

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Assessment Rate

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed.

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date

¹² Dongbu Steel/Dongbu Incheon Steel and the corresponding 9.18 percent subsidy rate listed in the *Preliminary Results* have been removed for these final results, as we are rescinding this review with respect to these companies.

¹³ As discussed in the *Preliminary Results* PDM, Commerce has found the following company to be cross-owned with Hyundai Steel: Hyundai Green Power Co. Ltd.

¹⁴ As discussed in the *Preliminary Results* PDM, Commerce has found the following companies to be cross-owned with POSCO: Pohang Scrap Recycling Distribution Center Co. Ltd.; POSCO Chemical; POSCO M-Tech; POSCO Nippon Steel RHF Joint Venture Co., Ltd.; POSCO Terminal, and POSCO Steel Processing and Service. In the *Preliminary Results*, POSCO Steel Processing and Service was omitted from the list of companies that are cross-owned with POSCO. The subsidy rate applies to all cross-owned companies. We note that POSCO has an affiliated trading company through which it exported certain subject merchandise, POSCO International Corporation (POSCO International). POSCO International was not selected as a mandatory respondent but was examined in the context of POSCO. Therefore, we are not establishing a rate for POSCO International and POSCO International's subsidies are accounted for in POSCO's total subsidy rate. Instead, entries of subject merchandise exported by POSCO International will receive the rate of the producer listed on the entry form with U.S. Customs and Border Protection. Thus, the subsidy rate applied to POSCO and POSCO's cross-owned affiliated companies is also applied to POSCO International for entries of merchandise produced by POSCO.

¹⁵ See appendix II.

of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Rates

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of the subject merchandise entered, or withdrawn from warehouse for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposits, effective upon the publication of the final results of this review, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a final reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(5).

Dated: April 4, 2023.

Abdelali Elouaradia,
Deputy Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Period of Review
- V. Subsidies Valuation Information
- VI. Analysis of Programs
- VII. Discussion of Comments
 - Comment 1: Whether the Provision of Carbon Emissions Permits is Countervailable
 - Comment 2: Whether the Provision of Port Usage Rights at the Port of Incheon is Countervailable
 - Comment 3: Whether Hyundai Green Power is Cross-Owned with Hyundai Steel
 - Comment 4: Whether POSCO Chemicals' Local Tax Exemptions Under Restriction of Special Local Taxation Act Article 78 Are Tied to Non-Subject Merchandise
 - Comment 5: Whether POSCO Steel Processing Service's Local Tax Exemptions under Restriction of Special Local Taxation Act Article 57-2 Constitute a Financial Contribution and a Benefit
 - Comment 6: Whether Quota and Tariff Import Duty Exemptions Received On Items Are Tied to Non-Subject Merchandise
 - Comment 7: Whether Commerce May Rely on Information Submitted by the Government of Korea and POSCO that Commerce Did Not Verify
 - Comment 8: Whether Electricity is Subsidized by the Government of Korea
 - Comment 9: Whether Draft Customs Instructions Issued by Commerce Require Revisions
- VIII. Recommendation

Appendix II
List of Non-Selected Companies

1. Hyundai Group
2. POSCO C&C Co., Ltd.
3. POSCO Daewoo Corp.
4. POSCO International Corporation

Appendix III

List of Rescinded Companies

1. AJU Steel Co., Ltd.
2. Amerisource Korea
3. Amerisource International
4. BC Trade
5. Busung Steel Co., Ltd.
6. Cenit Co., Ltd.
7. Daewoo Logistics Corp.
8. Dai Yang Metal Co., Ltd.
9. DK GNS Co., Ltd
10. Dongbu Incheon Steel Co., Ltd.
11. Dongbu Steel Co., Ltd.
12. KG Dongbu Steel Co., Ltd.¹⁶
13. Dong Jin Machinery
14. Dongkuk Industries Co., Ltd.
15. Dongkuk Steel Mill Co., Ltd.
16. Eunsan Shipping and Air Cargo Co., Ltd.
17. Euro Line Global Co., Ltd.
18. Golden State Corp.
19. GS Global Corp.
20. Hanawell Co., Ltd.
21. Hankum Co., Ltd.
22. Hyosung TNC Corp.
23. Hyuk San Profile Co., Ltd.
24. Iljin NTS Co., Ltd.
25. Iljin Steel Corp.
26. Jeon Pung Industrial Co., Ltd.
27. JT Solution
28. Kolon Global Corporation
29. Nauri Logistics Co., Ltd.
30. Okaya (Korea) Co., Ltd.
31. PL Special Steel Co., Ltd.
32. Samsung C&T Corp.
33. Samsung STS Co., Ltd.
34. SeAH Steel Corp.
35. SM Automotive Ltd.
36. SK Networks Co., Ltd.
37. Taihan Electric Wire Co., Ltd.
38. TGS Pipe Co., Ltd.
39. TI Automotive Ltd.
40. Xeno Energy

¹⁶ See *Preliminary Results* at appendix II; see also *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 61121 (November 5, 2021) (*Initiation Notice*); *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2019*, 87 FR 20821 (April 8, 2022) (*Cold-Rolled Steel from Korea AR 2019 Final Results*), and accompanying IDM, at Comment 8. Appendix II of the *Preliminary Results* lists company name “KG Dongbu Steel Co., Ltd. (formerly Dongbu Steel Co., Ltd.).” The company name should be amended, per the *Initiation Notice* and *Cold-Rolled Steel from Korea AR 2019 Final Results* IDM at Comment 8, to delete “(formerly Dongbu Steel Co., Ltd.).” “KG Dongbu Steel Co., Ltd.” and “Dongbu Steel Co., Ltd.” are listed separately here.

41. Young Steel Co., Ltd.

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